

## Program A: Administration

Program Authorization: R.S. 39:1527 - 1544

### Program Description

The mission of the Administrative Program in the Office of Risk Management (ORM) is to develop, direct, and administer a cost-effective, comprehensive risk management program for all state agencies, boards and commissions of the State of Louisiana and any other entity for which the state has an equity interest, in order to preserve and protect the assets of the State of Louisiana and to handle and manage all tort litigation against the state.

The goals of the Administrative Program in the Office of Risk Management are:

1. The Office of Risk Management will provide a cost effective self-insurance program for the state consisting of quality multi-line coverages which equal or exceed coverages/services available through the private sector.

**2. The Office of Risk Management will provide a comprehensive loss prevention program that will minimize losses and protect the assets of the state.**

3. The Office of Risk Management will process all claims in a timely and cost efficient manner.

The Administrative section has primary responsibility for management and direction of the self-insurance program.

The Accounting section is responsible for budget preparation and monitoring, accounts receivable, accounts payable, payroll, issuance and payment of all contracts, all financial reporting functions, premium development, tracking and exposure and experience data, oversight of the computerized claims system and compilation of various statistical data.

The Underwriting Unit is responsible for issuing insurance policies and certification for state agencies insurance coverage, administering the solicitation process for securing of excess coverage, maintaining computerized records for values of real property and contents of the state, and maintaining computerized records of premiums billed to state agencies.

The Loss Prevention Unit is responsible for investigation and identification of risks and loss prevention training of state work force.

The Claims Unit is responsible for all adjusting functions of claims including investigation, management, and payment of claims.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	35,004	35,004	73,745	0	(35,004)
Fees & Self-gen. Revenues	7,480,997	8,354,099	9,464,701	9,620,244	9,771,576	306,875
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<b>\$7,480,997</b>	<b>\$8,389,103</b>	<b>\$9,499,705</b>	<b>\$9,693,989</b>	<b>\$9,771,576</b>	<b>\$271,871</b>
EXPENDITURES & REQUEST:						
Salaries	\$4,251,288	\$4,812,842	\$5,147,333	\$4,935,285	\$5,047,179	(\$100,154)
Other Compensation	98,502	137,015	60,000	60,000	60,000	0
Related Benefits	957,895	1,097,446	1,142,396	1,291,500	1,208,140	65,744
Total Operating Expenses	1,610,308	903,391	829,782	846,305	829,782	0
Professional Services	318,720	77,500	669,500	671,430	669,500	0
Total Other Charges	157,251	1,287,712	1,577,497	1,684,469	1,657,775	80,278
Total Acq. & Major Repairs	87,033	73,197	73,197	205,000	299,200	226,003
TOTAL EXPENDITURES AND REQUEST	<b>\$7,480,997</b>	<b>\$8,389,103</b>	<b>\$9,499,705</b>	<b>\$9,693,989</b>	<b>\$9,771,576</b>	<b>\$271,871</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	128	128	129	129	133	4
Unclassified	0	0	0	0	0	0
<b>TOTAL</b>	<b>128</b>	<b>128</b>	<b>129</b>	<b>129</b>	<b>133</b>	<b>4</b>

## **SOURCE OF FUNDING**

This program is funded from premiums billed for insurance provided by this office and from interest earnings from the self insurance fund. State and Quasi-State agencies obtain insurance from the Office of Risk Management.

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$0</b>	<b>\$8,389,103</b>	<b>128</b>	<b>ACT 13 FISCAL YEAR 2002-2003</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$1,008,176	0	BA-7#295 - Method's recommendations
\$0	\$102,426	0	BA-7#45 - 1 Attorney Position
\$0	\$240,600	0	BA-7#296 - 4 Positions (Claims Dept)
<b>\$0</b>	<b>\$9,740,305</b>	<b>128</b>	<b>EXISTING OPERATING BUDGET - December 2, 2002</b>
\$0	\$71,728	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
\$0	\$86,924	0	Classified State Employees Merit Increases for FY 2003-2004
\$0	\$37,308	0	Risk Management Adjustment
\$0	\$299,200	0	Acquisitions & Major Repairs
\$0	(\$73,197)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$14,851	0	Legislative Auditor Fees
\$0	\$31,277	0	Rent in State-Owned Buildings
\$0	(\$3,094)	0	Maintenance of State-Owned Buildings
\$0	(\$64)	0	UPS Fees
\$0	(\$407,279)	0	Salary Base Adjustment
\$0	(\$115,486)	0	Attrition Adjustment
\$0	\$89,103	0	Group Insurance Adjustment
<b>\$0</b>	<b>\$9,771,576</b>	<b>128</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$0</b>	<b>\$9,771,576</b>	<b>128</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>

**MAJOR FINANCIAL CHANGES**

<b>GENERAL FUND</b>	<b>TOTAL</b>	<b>T.O.</b>	<b>DESCRIPTION</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$9,771,576</b>	<b>128</b>	<b>GRAND TOTAL RECOMMENDED</b>

## **PROFESSIONAL SERVICES**

\$669,500 Consulting expenses

**\$669,500 TOTAL PROFESSIONAL SERVICES**

**OTHER CHARGES**

\$100,000 Miscellaneous administrative expense

**\$100,000 SUB-TOTAL OTHER CHARGES**

**Interagency Transfers:**

\$37,308 Risk Management Adjustment

\$14,851 Legislative Auditor Fees

\$816,415 Rent in State-Owned Buildings

(\$3,094) Maintenance of State-Owned Buildings

(\$64) Uniform Payroll System Fees

\$538,575 IAT Services and Commodities including Office of Information Services fees, capital park security, and payroll services

\$1,743 Postage

\$143,984 OTM Fees

\$5,552 Salary expenses for the Division of Administration

\$2,505 Utilities for other Pineville satellite office

**\$1,557,775 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$1,657,775 TOTAL OTHER CHARGES**

## ACQUISITIONS AND MAJOR REPAIRS

\$150,000	Replacement of computer systems
\$50,000	Replacement of two vehicles
\$90,000	Imaging equipment for claims department
\$4,200	Imaging system hard drives
\$5,000	Non-routine repairs to state vehicles not warrantied
<b>\$299,200</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>